



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB6619

by Rep. Kenneth Dunkin

#### SYNOPSIS AS INTRODUCED:

55 ILCS 5/3-5010.10  
735 ILCS 5/15-1513 new  
765 ILCS 905/6 new

Amends the Counties Code. Provides that in counties with a population of more than 3,000,000, if a mortgagee is the purchaser of any property on which it holds a mortgage at a judicial sale, the mortgagee, and any real estate professional listing the property on behalf of the mortgagee after the judicial sale, shall register with the county's property fraud alert system. Further provides that the property fraud alert system shall notify all registered property owners and registered real estate professionals not later than 15 days after a document is recorded with the county recorder that relates to a registered property. Amends the Mortgage Foreclosure Article of the Code of Civil Procedure making conforming changes. Amends the Mortgage Act. Provides that a mortgagee shall publish a telephone number, email address, or both where a real estate professional may contact the mortgagee to verify the mortgagee's ownership interest in property. Further provides that a mortgagee shall respond by phone or e-mail no later than the next business day after the inquiry to verify ownership of the property.

LRB099 23776 AWJ 51294 b

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Counties Code is amended by changing Section  
5 3-5010.10 as follows:

6 (55 ILCS 5/3-5010.10)

7 Sec. 3-5010.10. Property fraud alert system; registration  
8 by property owners and real estate professionals.

9 (a) As used in this Section:

10 "Mortgage" has the meaning given to that term under Section  
11 15-1208 of the Code of Civil Procedure.

12 "Mortgagee" has the meaning given to that term under  
13 Section 15-1208 of the Code of Civil Procedure and only  
14 includes persons, partnerships, associations, corporations, or  
15 other entities licensed by the State to conduct business under  
16 the Residential Mortgage License Act of 1987.

17 "Property fraud alert system" means any electronic or  
18 automated alert system run by a county or by a third-party  
19 vendor, by whatever name, that informs a property owner by  
20 e-mail, telephone, or mail when a document is recorded with the  
21 county recorder that relates to a registered property.

22 "Real estate professional" means a licensed real estate  
23 agent, attorney, closing agent, or agent of a title insurance

1 company.

2 (b) In a county that has a property fraud alert system, a  
3 recorder may create a registration form for a real estate  
4 professional to file with the recorder on behalf of a property  
5 owner to register the property owner in the county's property  
6 fraud alert system. The registration form must contain the  
7 following minimum information:

8 (1) a ~~A~~ notice on the top of the form that property  
9 owners are not required to register with the county's  
10 property fraud alert system;~~;~~

11 (2) a ~~A~~ description of the county's property fraud  
12 alert system; the name of the third-party vendor, if any,  
13 who operates the property fraud alert system; and the cost,  
14 if any, to the property owner of the property fraud alert  
15 system; and

16 (3) a ~~A~~ portion to be completed by a property owner and  
17 real estate professional containing:

18 (i) the property owner's name and mailing address;

19 (ii) the Property Index Number (PIN) or unique  
20 parcel identification code of the property for which an  
21 alert will be created;

22 (iii) the e-mail, telephone number, or mailing  
23 address the property owner would like to receive the  
24 alert;

25 (iv) any information a third-party vendor who  
26 operates a county's property fraud alert system

1 requires to register a property owner;

2 (v) if required, payment method and billing  
3 information;

4 (vi) a clear and conspicuous notice, immediately  
5 before the signatures, stating that the property owner  
6 understands that neither the recorder, nor a  
7 third-party vendor operating a county's property fraud  
8 alert system, nor a real estate professional, nor any  
9 employees thereof shall be liable to the property owner  
10 should the property fraud alert system fail to alert  
11 the property owner of any document being recorded and  
12 that it is the property owner's responsibility to  
13 verify the information he or she has provided is  
14 correct and that he or she is registered with the  
15 property fraud alert system;

16 (vii) a place for the property owner's signature;

17 (viii) a place for the real estate professional's  
18 signature, if applicable, along with a statement  
19 indicating that the real estate professional is  
20 registered with the recorder and is allowed to file the  
21 registration form with the recorder; and

22 (ix) a place to list up to 3 other persons to  
23 receive a property fraud alert, including each  
24 person's e-mail, telephone number, or address where he  
25 or she will receive the alert.

26 (c) A property owner or real estate professional may file a

1 completed and signed registration form with the recorder. When  
2 a recorder receives such a completed and signed registration  
3 form, the recorder shall complete the registration process for  
4 the property owner listed on the registration form by entering  
5 the information from the registration form into the property  
6 fraud alert system.

7 (d) A real estate professional that wishes to file  
8 registration forms with the recorder on behalf of property  
9 owners must first register with the recorder by verifying they  
10 are a licensed real estate agent, attorney, closing agent, or  
11 agent of a title insurance company. The recorder shall keep a  
12 list of all registered real estate professionals.

13 (e) No county, recorder, third-party vendor operating a  
14 county's property fraud alert system, real estate  
15 professional, or any employees thereof shall be subject to  
16 liability, except for willful and wanton misconduct, for any  
17 error or omission in registering a property owner pursuant to  
18 this Section or for any damages caused by the failure of the  
19 property owner to be alerted of any document that was recorded  
20 that relates to a property registered under the owner's name.

21 (f) A home rule unit shall not use or create a registration  
22 form for use by a real estate professional to register a  
23 property owner on the county's property fraud alert system that  
24 conflicts with this Section. This Section is a limitation under  
25 subsection (i) of Section 6 of Article VII of the Illinois  
26 Constitution on the concurrent exercise by home rule units of

1 powers and functions exercised by the State. However, nothing  
2 in this Section shall prevent any person from signing up for a  
3 property fraud alert system by other means than those provided  
4 for in this Section, including, but not limited to, on a  
5 county's website or a third-party vendor's website that hosts a  
6 property fraud alert system.

7 (g) In counties with a population of greater than  
8 3,000,000:

9 (1) If a mortgagee is the purchaser of any property on  
10 which it holds a mortgage at a judicial sale, the  
11 mortgagee, and any real estate professional listing the  
12 property on behalf of the mortgagee after the judicial  
13 sale, shall register with the county's property fraud alert  
14 system. A mortgagee shall register no later than 7 days  
15 after the court executes a deed to the mortgagee under  
16 Section 15-1509 of the Code of Civil Procedure and a real  
17 estate professional shall register no later than 7 days  
18 after being retained to list the property.

19 (2) The property fraud alert system shall notify all  
20 registered property owners and registered real estate  
21 professionals not later than 15 days after a document is  
22 recorded with the county recorder that relates to a  
23 registered property.

24 (Source: P.A. 99-75, eff. 1-1-16.)

25 Section 10. The Code of Civil Procedure is amended by

1 adding Section 15-1513 as follows:

2 (735 ILCS 5/15-1513 new)

3 Sec. 15-1513. Property fraud alert system. In counties with  
4 a population of greater than 3,000,000, if a mortgagee is the  
5 purchaser of any property on which it holds a mortgage at a  
6 judicial sale, the mortgagee, and any real estate professional  
7 listing the property on behalf of the mortgagee after the  
8 judicial sale, shall register with the county's property fraud  
9 alert system as required by Section 3-5010.10 of the Counties  
10 Code.

11 Section 15. The Mortgage Act is amended by adding Section 6  
12 as follows:

13 (765 ILCS 905/6 new)

14 Sec. 6. Verification of ownership of property.

15 (a) For purposes of this Section:

16 "Mortgagee" has the meaning given to that term under  
17 Section 15-1208 of the Code of Civil Procedure and only  
18 includes persons, partnerships, associations, corporations, or  
19 other entities licensed by the State to conduct business under  
20 the Residential Mortgage License Act of 1987.

21 "Real estate professional" has the meaning given to that  
22 term under Section 3-5010.10 of the Counties Code.

23 (b) A mortgagee shall publish a telephone number, email

1 address, or both where a real estate professional may contact  
2 the mortgagee to verify the mortgagee's ownership interest in  
3 property. The mortgagee shall publish the telephone number,  
4 email address, or both on its Internet website, if it has one,  
5 and within every mortgage document filed with the county  
6 recorder.

7 (c) When a mortgagee receives an inquiry from a real estate  
8 professional to verify ownership of a property, the mortgagee  
9 shall respond by phone or e-mail no later than the next  
10 business day after the inquiry is received. Any inquiry  
11 received after 5 p.m., Central Standard Time, or on a State or  
12 federal holiday, shall be considered received the next business  
13 day.